

EXHIBIT E

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

ESTER LORUSSO, : CASE NO. 07
: CV 03583
Plaintiff, :
:
vs. : DEPOSITION OF:
GIULO LIBUTTI
:
ALITALIA-LINEE AEREE ITALIANE- :
SpA, :
:
Defendant. :

T R A N S C R I P T of the stenographic
notes of LISA FORLANO, a Notary Public and CCR, CRR,
RMR, taken at the offices of Vedder Price P.C.,
1633 Broadway, 47th Floor, New York, New York,
10019, on Monday, January 21, 2008, commencing at
10:45 a.m.

1 office in New York, Alitalia's New York office to
2 generate sales?

3 A Yes.

4 Q So it's really, the New York office,
5 it's fair to say, it's about generating sales in
6 North America for Alitalia?

7 MR. KORAL: Objection.

8 THE WITNESS: Yes.

9 BY MR. OTTINGER:

10 Q Is that true?

11 A Can you repeat the question?

12 Q Could you read it back?

13 (At which time the following question
14 was read back by the reporter: "Question: So
15 it's really, the New York office, it's fair to
16 say, it's about generating sales in North
17 America for Alitalia?")

18 THE WITNESS: Yes, not only sales, of
19 course.

20 BY MR. OTTINGER:

21 Q What else?

22 A Control the cost. I mean the profit
23 and loss is done by revenue and cost, so it was a
24 net margin that make the difference for the company.

25 Q Who did you report to when you were the

1 Senior Vice-President of North America?

2 A I was reporting to Director of
3 Worldwide Sales.

4 Q Who is that?

5 A Pierandrea Galli.

6 Q Could you spell that for us?

7 A P-I-E-R-A-N-D-R-E-A, last name is
8 Galli, G-A-L-L-I.

9 Q Where was he located when you reported
10 to him?

11 A First here. He was located in New
12 York. The second and the third year he was located
13 in Rome.

14 Q When did you move from New York to
15 Rome?

16 A I don't remember the months, I'm sorry.
17 But after one year, so probably around, if I arrived
18 in July, probably between July and September of
19 2004.

20 Q And Mr. Galli went to Rome and then you
21 were here in New York?

22 A Yes.

23 Q So after Mr. Galli left in 2004, were
24 you the highest ranking official in the New York
25 office for Alitalia?

1 A Yes.

2 Q And you took directions from Mr. Galli
3 in Rome?

4 A Yes.

5 Q Was there anyone else in the
6 organization who you took direction from while you
7 were Senior Vice-President of North America in New
8 York City?

9 A Could you repeat the question?

10 MR. OTTINGER: Would you please read
11 that back?

12 (At which time the following question
13 was read back by the reporter: "Question:
14 Was there anyone else in the organization who
15 you took direction from while you were Senior
16 Vice-President of North America in New York
17 City?")

18 THE WITNESS: So the New York City
19 extraction?

20 BY MR. OTTINGER:

21 Q Yes.

22 A No. I don't have somebody that I have
23 to report to. I have to report only to Mr. Galli.
24 No one in New York I have to report to.

25 Q I'm asking you whether there is anyone

1 that maybe having offices all over United States
2 it's because the market is changing. You don't need
3 exactly the physical office, you need the sales rep
4 office less like many other companies.

5 Q So you no longer needed as many
6 physical offices?

7 A No physical offices. We still need the
8 sales rep.

9 Q To do it by the phone or Internet or
10 something?

11 A Yeah, because you pay a lot of rent.

12 Q When you got to New York in June or
13 July of 2003, how many people were working in that
14 office?

15 A Exactly the name, I don't remember.

16 Q Not the name, how many?

17 A I'm sorry, the number I don't remember,
18 but I'm sure I'm not wrong if I say they're very
19 close to 200.

20 Q Did that change while you were the
21 Senior Vice-President North America?

22 A Sorry?

23 Q Did that change? Did the amount of
24 people working in the New York City office change
25 while you were working there?

1 A Yes, along in the three years it
2 changed, yes.

3 Q How did it change?

4 A How?

5 Q Yes, sir.

6 A With the different organization of the
7 company.

8 Q What do you mean?

9 A Has been, for example, a call center,
10 has been closed in the United States because there
11 was a project, a worldwide project where one call
12 center in different part of the world.

13 Q Where was that?

14 A Sorry?

15 Q Where was the call center located?

16 A In Palermo, Sicily. As I know when I
17 left. And so different organization I told you
18 closed the offices and, of course, I mean the
19 organization make a reduction of staff. Also we are
20 the target.

21 Q You were what?

22 A We had the target, the projective to
23 reach.

24 Q What do you mean?

25 A To reduce the cost.

1 Q How so?

2 A How?

3 Q You said you were given a target?

4 A The company gave me a target, yes.

5 Q To reduce costs?

6 A Yes, absolutely.

7 Q What did they tell you?

8 A To make more profitable the operation

9 of Alitalia North America, to reduce revenue and

10 reduce the cost, to improve the net margin.

11 Q Did they tell you how to do that?

12 A Not exactly. They have a Senior
13 Vice-President there, so they're making for a
14 proposal from me every time how to reduce, so I was
15 in charge of a proposal to the organization.

16 Q So it was part of your job to decide
17 how you could reduce the cost and increase the
18 revenue, right?

19 A To prepare any proposal, plan, yes.

20 Q Did you come up with any plans to
21 decrease the costs?

22 A Yes, I prepared plans.

23 Q Tell me about them. What were your
24 proposals?

25 MR. KORAL: Objection. Go ahead.

1 THE WITNESS: Yeah, my proposal I told
2 you was different step. For example, to close
3 the office.

4 BY MR. OTTINGER:-

5 Q Close what office?

6 A The office of Miami, the sales office.
7 The call center had been headquarter decision, so I
8 was not in charge to decide to close or not close
9 the call center because any senior executive should
10 coordinate with the organization, of course, and we
11 organize the sales according the change of the
12 distribution in the market because the distribution
13 in the market is not the same every year in the
14 United States. You have a lot of merging among the
15 travel agencies, so the number is always reducing.
16 So 80/20 below,, according of the market say that
17 probably with 20 percent of travel agency, you make
18 80 percent of the revenue. So we have tried to
19 adopt the company this new situation of the
20 marketing with the booming of Internet and direct
21 sales.

22 Q Did you make any decisions to reduce
23 the number of employees that were working in the New
24 York City office?

25 MR. KORAL: Objection.

1 THE WITNESS: The decision come from
2 head office.

3 BY MR. OTTINGER:

4 Q Tell me about that decision or that
5 plan.

6 MR. KORAL: Objection.

7 THE WITNESS: The decision was from
8 office all over the world. It was a target to
9 reduce the cost of the company. You can't
10 reduce the cost in many way because when you
11 ask me about airports, this is one. Of
12 course, you can reduce staff, you can reduce
13 costs. But you can reduce costs with many
14 other things.

15 BY MR. OTTINGER:

16 Q I'm asking you about employees, sir.
17 Was there ever a decision or a plan that was created
18 by you or someone else while you were in New York to
19 reduce the number of employees in the New York City
20 office?

21 A It was not my plan. It was not --
22 there was a plan called -- it was a decision of the
23 company. Worldwide, they asked to reduce number of
24 employees all over the world, including Italy. It
25 was a process -- Alitalia was facing a very, very

1 difficult situation.

2 Q When was that -- what was that plan
3 called to reduce the employees in the company
4 worldwide?

5 A It was not a name.

6 Q When was that decision -- when did you
7 first learn of that decision?

8 MR. KORAL: Objection.

9 THE WITNESS: Before I went to the
10 United States, the process of it started all
11 over the world, even when I was in Buenos
12 Aires. Before that we had the target in the
13 last ten years, Alitalia had one year profit,
14 so every year they asked us to reduce costs to
15 increase the revenue.

16 BY MR. OTTINGER:

17 Q If I understand you correctly, you're
18 saying that Alitalia had, before you even got to New
19 York, a plan to reduce costs any way they can,
20 including reducing employees?

21 A Yes, all over the world.

22 Q Because the company had a history of
23 unprofitability, is that right?

24 A Yes, yes.

25 Q So while you were in New York, did you

1 ever get a memo or e-mail or direction in any way to
2 take any specific steps to reduce the number of
3 employees in the New York office?

4 A No, not a specific one.

5 Q Did you, while you were working in New
6 York, institute any -- do anything to reduce the
7 number of employees that were working in the New
8 York office?

9 A Sorry, may I ask you to repeat it,
10 please?

11 Q Sure, maybe I'll have the court
12 reporter read that back.

13 (At which time the following question
14 was read back by the reporter: "Question:
15 Did you, while you were working in New York,
16 institute any -- do anything to reduce the
17 number of employees that were working in the
18 New York office?")

19 THE WITNESS: If I did something to
20 reduce?

21 BY MR. OTTINGER:

22 Q Yes.

23 A We try -- we did, if I remember well,
24 two early retirement plan.

25 Q So you're saying that while you were in

1 New York, you implemented two early retirement
2 plans?

3 A Not myself, the company.

4 Q Was it your idea?

5 A No.

6 Q Whose idea was it?

7 A It come from head office.

8 Q In Rome?

9 A Yes, yes.

10 Q Tell me how did they come about?

11 A Sorry?

12 Q Can you tell me how they both came
13 about?

14 A Because at that time, there was a
15 person that was in charge of all, as I say, legal
16 situation and union and HR that was in charge for
17 head office to manage all those reduction of staff.
18 His name is Francesco Gallo and he proposed to the
19 company the best way, also for the employees, to
20 reduce costs that would be to announce an early
21 retirement plan.

22 Q Where was this Francesco Gallo located?

23 A In New York.

24 Q Did he work for you?

25 A No, at that time.

1 Q So he was working in New York City, but
2 not for you?

3 A No, directly from Rome.

4 Q Were there any other people in the New
5 York City office who didn't report to you, but
6 instead reported to people in Rome?

7 A I told you at the beginning of my
8 experience, yes. The controller, the financial
9 controller and the stations and Mr. Gallo and one
10 person -- one manager in charge of public relation
11 was directly dependent to Rome.

12 Q You said that there were two early
13 retirement programs. If I understand you correctly,
14 they were both created by Mr. Gallo?

15 A No. It was proposed by Mr. Gallo.
16 Mr. Gallo prepare all procedures, all parameters,
17 everything in order to propose to Rome. He come to
18 me and say, this is the best things we can propose
19 to Rome in order to Rome will accept because he
20 knows the rules, how many weeks you have to offer
21 and et cetera, et cetera.

22 Q Did he come up with this early
23 retirement proposal because you or someone else
24 asked him to do it or did he do it on his own?

25 A No, we ask him which is the best legal

1 way in order to reduce the cost without any
2 strong -- without acting very strong against the
3 employees.

4 Q What do you mean acting very strong?

5 A Let go the people without any
6 compensation.

7 Q Without any compensation?

8 A Yes.

9 Q Other than these two early retirement
10 programs that you've been talking about, were there
11 any other programs or initiatives that you know of
12 that were designed to reduce the number of employees
13 in the New York office while you were there?

14 A No.

15 Q And while you were in the New York
16 office, did any employees leave the company?

17 A I have to ask you to repeat.

18 Q Sure, no problem. While you were in
19 New York, did any employees leave the company?

20 A Yes, some employees, if I remember
21 well, leave the company by its own.

22 Q Were you able to reduce the number of
23 employees in the New York office while you were
24 there?

25 A Yes.

1 Q Tell me, how did you do that? How
2 many -- you said there were 200 when you started?

3 A Yes.

4 Q How many were there when you left in
5 2006?

6 A If I remember well, the exact number
7 should be around 70, 80. This number is including
8 Canada.

9 Q I'm just talking about the New York
10 City office.

11 A I'm sorry, when we use numbers, we use
12 number altogether. I was in charge of North
13 America, so I remember the number in all of North
14 America. In Mexico, we didn't have anybody. When I
15 say New York, it is United States and including
16 Canada. Canada totally was 14 number, 15 person
17 when I arrived and when I left, it was 10. I
18 remember the number of Canada.

19 Q So when I asked you earlier how many
20 employees were in the New York City office, you told
21 me 200.

22 A Yes, it was total North America.

23 Q Thank you for clearing that up. Do you
24 remember how many were actually in New York when you
25 started?

1 A In New York, I have some problem to
2 remember because at the time the office open in the
3 United States and we have Canada, we have people in
4 the airport, so if I say around 100 maybe. But I'm
5 not sure. I'm sorry.

6 Q Just so we're clear, you're saying
7 right now as you sit here that your best estimate
8 when you started working in the New York City office
9 of Alitalia in 2003 there were approximately 100
10 people in the New York City office?

11 A Yes.

12 Q Now, when you left Alitalia in March of
13 '07, how many employees were in the New York City
14 office?

15 A Probably around 40, 45 New York City
16 only?

17 Q Yes, sir. Are you familiar with the
18 American anti-discrimination laws? Do you know what
19 I mean by that?

20 A Very familiar. What do you mean
21 familiar? Expert, if I'm expert?

22 Q Do you know about them? Do you know
23 what they are?

24 A For American discrimination law?

25 Q Yes.

1 made such a decision based upon someone's gender to
2 terminate them or demote them or not promote them,
3 that would also be a violation of the law, right?

4 A Based on gender, yes, I know that.

5 Q Same with age, right?

6 A Yes.

7 Q If you ever made a decision to fire
8 someone or demote them or not promote them or
9 transfer them to a less desirable position that was
10 based on part on their age or their gender, that
11 would be a violation of the American laws?

12 A Yes, I know that is a violation, yes.

13 Q What was Ester Lorusso's position when
14 you arrived in New York in 2003?

15 A If I remember, Director of Marketing.

16 Q Did that position change while you were
17 working in New York?

18 A Yes.

19 Q How so?

20 A In 2004, if I remember well, there was
21 a company decision based on again, reduction of
22 costs to centralize all agreements with advertising
23 agency all over the world and make one contact with
24 only one advertising agencies for the world not
25 giving anymore autonomy to the branches to handle